

# Union Calendar No. 259

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3578

[Report No. 112-378]

To amend the Balanced Budget and Emergency Deficit Control Act of 1985  
to reform the budget baseline.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2011

Mr. WOODALL (for himself, Mr. RYAN of Wisconsin, Mr. HENSARLING, Mr. YOUNG of Indiana, Mrs. BLACK, Mr. LANKFORD, Mr. CHAFFETZ, and Mr. STUTZMAN) introduced the following bill; which was referred to the Committee on the Budget

JANUARY 30, 2012

Additional sponsors: Mr. MCCLINTOCK, Mr. GOHMERT, Mr. DUNCAN of South Carolina, Mr. KINZINGER of Illinois, Mr. ROKITA, Mr. JOHNSON of Illinois, Mr. FLORES, Mr. MULVANEY, Mr. BERG, Mr. AMASH, Mr. PAULSEN, Mr. RIBBLE, Mr. MANZULLO, Mr. KLINE, and Mr. HUELSKAMP

JANUARY 30, 2012

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on December 7, 2011]

# **A BILL**

To amend the Balanced Budget and Emergency Deficit  
Control Act of 1985 to reform the budget baseline.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Baseline Reform Act*  
 5       *of 2012”.*

6       **SEC. 2. THE BASELINE.**

7       *Section 257 of the Balanced Budget and Emergency*  
 8       *Deficit Control Act of 1985 is amended to read as follows:*

9       **“SEC. 257. THE BASELINE.**

10       *“(a) IN GENERAL.—(1) For any fiscal year, the base-*  
 11       *line refers to a projection of current-year levels of new budg-*  
 12       *et authority, outlays, or receipts and the surplus or deficit*  
 13       *for the current year, the budget year, and the ensuing nine*  
 14       *outyears based on laws enacted through the applicable date.*

15       *“(2) The baselines referred to in paragraph (1) shall*  
 16       *be prepared annually.*

17       *“(b) DIRECT SPENDING AND RECEIPTS.—For the*  
 18       *budget year and each outyear, estimates for direct spending*  
 19       *in the baseline shall be calculated as follows:*

20               *“(1) IN GENERAL.—Laws providing or creating*  
 21       *direct spending and receipts are assumed to operate*  
 22       *in the manner specified in those laws for each such*  
 23       *year and funding for entitlement authority is as-*  
 24       *sumed to be adequate to make all payments required*  
 25       *by those laws.*

1           “(2) *EXCEPTIONS.*—(A)(i) *No program estab-*  
2           *lished by a law enacted on or before the date of enact-*  
3           *ment of the Balanced Budget Act of 1997 with esti-*  
4           *mated current year outlays greater than \$50,000,000*  
5           *shall be assumed to expire in the budget year or the*  
6           *outyears. The scoring of new programs with estimated*  
7           *outlays greater than \$50,000,000 a year shall be*  
8           *based on scoring by the Committees on the Budget or*  
9           *OMB, as applicable. OMB, CBO, and the Committees*  
10          *on the Budget shall consult on the scoring of such pro-*  
11          *grams where there are differences between CBO and*  
12          *OMB.*

13           “(ii) *On the expiration of the suspension of a*  
14          *provision of law that is suspended under section 171*  
15          *of Public Law 104–127 and that authorizes a pro-*  
16          *gram with estimated fiscal year outlays that are*  
17          *greater than \$50,000,000, for purposes of clause (i),*  
18          *the program shall be assumed to continue to operate*  
19          *in the same manner as the program operated imme-*  
20          *diately before the expiration of the suspension.*

21           “(B) *The increase for veterans’ compensation for*  
22          *a fiscal year is assumed to be the same as that re-*  
23          *quired by law for veterans’ pensions unless otherwise*  
24          *provided by law enacted in that session.*

1           “(C) *Excise taxes dedicated to a trust fund, if ex-*  
2           *piring, are assumed to be extended at current rates.*

3           “(D) *If any law expires before the budget year*  
4           *or any outyear, then any program with estimated*  
5           *current year outlays greater than \$50,000,000 that*  
6           *operates under that law shall be assumed to continue*  
7           *to operate under that law as in effect immediately be-*  
8           *fore its expiration.*

9           “(3) *HOSPITAL INSURANCE TRUST FUND.—Not-*  
10          *withstanding any other provision of law, the receipts*  
11          *and disbursements of the Hospital Insurance Trust*  
12          *Fund shall be included in all calculations required by*  
13          *this Act.*

14          “(c) *DISCRETIONARY SPENDING.—For the budget year*  
15          *and each of the nine ensuing outyears, the baseline shall*  
16          *be calculated using the following assumptions regarding all*  
17          *amounts other than those covered by subsection (b):*

18               “(1) *ESTIMATED APPROPRIATIONS.—Budgetary*  
19               *resources other than unobligated balances shall be at*  
20               *the level provided for the budget year in full-year ap-*  
21               *propriation Acts. If for any account a full-year ap-*  
22               *propriation has not yet been enacted, budgetary re-*  
23               *sources other than unobligated balances shall be at the*  
24               *level available in the current year.*

1           “(2) *CURRENT-YEAR APPROPRIATIONS.*—If, for  
2           any account, a continuing appropriation is in effect  
3           for less than the entire current year, then the current-  
4           year amount shall be assumed to equal the amount  
5           that would be available if that continuing appropria-  
6           tion covered the entire fiscal year. If law permits the  
7           transfer of budget authority among budget accounts  
8           in the current year, the current-year level for an ac-  
9           count shall reflect transfers accomplished by the sub-  
10          mission of, or assumed for the current year in, the  
11          President’s original budget for the budget year.

12          “(d) *UP-TO-DATE CONCEPTS.*—In calculating the  
13          baseline for the budget year or each of the nine ensuing out-  
14          years, current-year amounts shall be calculated using the  
15          concepts and definitions that are required for that budget  
16          year.

17          “(e) *ASSET SALES.*—Amounts realized from the sale  
18          of an asset shall not be included in estimates under section  
19          251, 251A, 252, or 253 of this part or section 5 of the Statu-  
20          tory-Pay-As-You-Go Act of 2010 if that sale would result  
21          in a financial cost to the Government as determined pursu-  
22          ant to scorekeeping guidelines.”.

1 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**  
2 **TEES.**

3 *Section 202(e) of the Congressional Budget Act of 1974*  
4 *is amended by adding at the end the following new para-*  
5 *graphs:*

6 “(4)(A) *After the President’s budget submission*  
7 *under section 1105(a) of title 31, United States Code,*  
8 *in addition to the baseline projections, the Director*  
9 *shall submit to the Committees on the Budget of the*  
10 *House of Representatives and the Senate a supple-*  
11 *mental projection assuming extension of current tax*  
12 *policy for the fiscal year commencing on October 1 of*  
13 *that year with a supplemental projection for the 10*  
14 *fiscal-year period beginning with that fiscal year, as-*  
15 *suming the extension of current tax policy.*

16 “(B) *For the purposes of this paragraph, the*  
17 *term ‘current tax policy’ means the tax policy in stat-*  
18 *ute as of December 31 of the current year assuming—*

19 “(i) *the budgetary effects of measures ex-*  
20 *tending the Economic Growth and Tax Relief*  
21 *Reconciliation Act of 2001;*

22 “(ii) *the budgetary effects of measures ex-*  
23 *tending the Jobs and Growth Tax Relief Rec-*  
24 *onciliation Act of 2003;*

25 “(iii) *the continued application of the alter-*  
26 *native minimum tax as in effect for taxable*

1        *years beginning in 2011 pursuant to title II of*  
2        *the Tax Relief, Unemployment Insurance Reau-*  
3        *thorization, and Job Creation Act of 2010, as-*  
4        *suming that for taxable years beginning after*  
5        *2011 the exemption amount shall equal—*

6                *“(I) the exemption amount for taxable*  
7                *years beginning in 2011, as indexed for in-*  
8                *flation; or*

9                *“(II) if a subsequent law modifies the*  
10               *exemption amount for later taxable years,*  
11               *the modified exemption amount, as indexed*  
12               *for inflation; and*

13               *“(iv) the budgetary effects of extending the*  
14               *estate, gift, and generation-skipping transfer tax*  
15               *provisions of title III of the Tax Relief, Unem-*  
16               *ployment Insurance Reauthorization, and Job*  
17               *Creation Act of 2010.*

18               *“(5) On or before July 1 of each year, the Direc-*  
19               *tor shall submit to the Committees on the Budget of*  
20               *the House of Representatives and the Senate, the*  
21               *Long-Term Budget Outlook for the fiscal year com-*  
22               *mencing on October 1 of that year and at least the*  
23               *ensuing 40 fiscal years.”.*





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